



**DICKENSON MINES LIMITED**

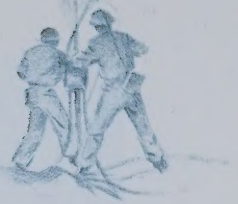
22<sup>nd</sup>

**ANNUAL REPORT**

1966



APR - 6 1967



# DICKENSON MINES LIMITED

## DIRECTORS

A. W. WHITE, President - - - - - Toronto, Ont.  
 C. R. DIEBOLD, Vice-President - - - - - Buffalo, N.Y.  
 Chairman of the Board, Western Savings Bank of Buffalo  
 F. A. FELL, General Manager - - - - - Toronto, Ont.  
 M. L. URQUHART - - - - - Toronto, Ont.  
 Senior Vice-President, McIntyre Porcupine Mines Ltd.  
 R. A. JODREY - - - - - Hantsport, N.S.  
 President, Minas Basin Pulp and Power Co. Ltd.  
 S. C. SMITH - - - - - Toronto, Ont.  
 George Weston Ltd.  
 R. F. ROCK - - - - - Mountainhome, Penna.  
 Investment Adviser

## OFFICERS

ARTHUR W. WHITE - - - - - President  
 CHARLES R. DIEBOLD - - - - - Vice-President  
 H. RODNEY HEARD - - - - - Secretary-Treasurer  
 JAMES GEDDES - - - - - Assistant Secretary  
 LOUIS V. BARBISAN - - - - - Assistant Treasurer  
 FRED A. FELL - - - - - General Manager

## EXECUTIVE OFFICE

25 Adelaide St. West, Suite 416 - - - - - Toronto, Ont.

## MINE OFFICE

Balmertown, Ontario.

## AUDITORS

McDonald, Nicholson & Co. - - - - - Toronto, Ont.

## BANKERS

Canadian Imperial Bank of Commerce - - - - - Toronto, Ont.  
 The Bank of Nova Scotia - - - - - Toronto and Balmertown, Ont.

## REGISTRAR AND TRANSFER AGENTS

The Sterling Trusts Corporation - - - - - Toronto, Ont.  
 Bank of New York - - - - - New York City, N.Y.  
 The First National Bank of Jersey City - - - - - Jersey City, N.J.

## ANNUAL MEETING

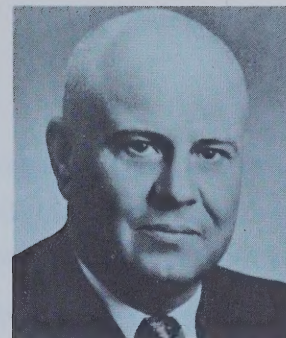
Thursday, April 20th, 1967, at 10:30 a.m. (Toronto Time) Territories  
 Room, Royal York Hotel, Toronto, Ontario.

## SUMMARY OF OPERATIONS

### THE DICKENSON MINE

	1966	1965	1964	To Date
TONS ORE MILLED .....	172,526	177,353	177,874	2,564,658
Daily average .....	473	486	486	390
Grade ounces per ton (millheads) .....	0.601	0.562	0.560	0.551
PRODUCTION:				
Value less marketing charges .....	\$3,586,880	\$3,459,165	\$3,428,711	\$45,143,491
Ounces gold .....	95,563	92,096	91,244	1,272,664
Per ton milled .....	\$20.79	\$19.50	\$19.28	\$17.60
Value received per ounce .....	\$37.52	\$37.56	\$37.58	\$35.47
EMERGENCY GOLD MINING ASSISTANCE .....	\$ 276,019	\$ 231,389	\$ 242,547	\$ 2,386,855
Per ton milled to which aid applies .....	\$1.600	\$1.305	\$1.364	\$1.743
(1964-1966 — 527,753 tons)				
(1949-1956 — 841,172 tons)				
PRODUCTION AND EMERGENCY GOLD MINING ASSISTANCE .....	\$3,862,899	\$3,690,554	\$3,671,258	\$47,530,346
Per ton milled .....	\$22.39	\$20.81	\$20.64	\$18.53
CASH FLOW — Profit before depreciation and write-offs	\$1,101,802	\$1,037,555	\$1,086,083	\$16,613,776
Per ton milled .....	\$6.39	\$5.85	\$6.11	\$6.48
Per share .....	\$0.31	\$0.30	\$0.31	\$4.73
NET PROFIT .....	\$ 808,677	\$ 744,440	\$ 857,735	\$ 9,788,222
Per ton milled .....	\$4.69	\$4.20	\$4.82	\$3.82
Per share .....	\$0.23	\$0.21	\$0.24	\$2.79
DIVIDENDS — since 1953 .....	\$ 351,434	\$ 773,155	\$ 982,895	\$ 6,883,445
Declared per share .....	\$0.10	\$0.22	\$0.28	\$2.14
ORE RESERVES:				
Tons at end of year .....	571,986	586,777	589,230	—
Grade — ounces per ton .....	0.536	0.546	0.538	—
NO. OF EMPLOYEES .....	287	266	284	—
SHAREHOLDERS .....	4,000	3,975	3,906	—
SHARES ISSUED .....	3,514,340	3,514,340	3,510,340	—

## PRESIDENT'S REPORT TO SHAREHOLDERS



ARTHUR W. WHITE

For the second consecutive year it is gratifying to report that the Dickenson mine attained record levels in output and value of gold. I am pleased to comment on this achievement and on other activities of your company.

It is noteworthy that this record production was accomplished at the same time as:

- (a) The No. 2 (internal) shaft was sunk from its collar at the 23rd level, (3,365 feet below the surface), to a depth of 4,610 feet below the surface;
- (b) Stations were excavated to provide seven new levels for mining;
- (c) Ore reserves were maintained.

The exploration department based at the mine office examined 33 outside properties.

Details of operations and development of the mine and the exploration activities conducted from the company's office in Balmertown appear in the report of Mr.

F. A. Fell, General Manager of the company.

### EARNINGS AND DIVIDENDS

Extraordinary expenditures related to the sinking of the No. 2 shaft amounted to \$457,835 in 1966 (\$190,760 in 1965). All of these expenses were deducted from income in 1966. Together with increases in labour and material costs they are principally responsible for the reduction in operating profit.

The dividend from Kam-Kotia Mines Limited and profit on sale of investments, however, enabled the company to earn a net profit for the year of \$808,677 (1965 — \$744,440).

In recent years bank loans have created additional expense to the company by way of interest. Your directors are of the opinion that it is now prudent to pay off this indebtedness out of earnings as quickly as possible; consequently, dividends have

been and may continue to be paid at reduced rates until the working capital position of the company improves.

On January 25, 1967, your directors declared Dividend No. 34 at 5¢ per share, payable May 8, 1967 to shareholders of record April 7, 1967.

## **OTHER INTERESTS**

### **Kam-Kotia Mines Limited**

Kam-Kotia Mines Limited (formerly Violamac Mines Limited) experienced a very successful year. Consolidated net profit amounted to \$1,965,371 (46.3¢ per share).

The shaft at the Kam-Kotia Mine was deepened from 1,033 feet to 1,974 feet below surface, which will make four new levels available for mining. Driving to ore zones from the new levels is underway and production from them is expected this year. The new levels will also provide stations from which drilling to search for ore at greater depth may be carried out. A larger surface hoist, installation of an underground crusher, and changes in the mill circuit are expected to increase tonnage and improve the efficiency of the mill.

Kam-Kotia Mines Limited declared Dividend No. 2 at 10¢ per share, payable

May 5, 1967, to shareholders of record April 7, 1967.

### **Jameland Mines Limited**

Jameland Mines Limited, a subsidiary of Dickenson, holds 22 mining claims adjoining the Kam-Kotia and Pleno Mines properties on the south. Attractive ore intersections are now being encountered in the surface diamond drilling on the Jameland property.

### **Penobscot Mining Co. Ltd.**

Dickenson is a major shareholder of Penobscot Mining Co. Ltd. whose subsidiary's copper-zinc properties near Harborside, Maine are being developed by Callahan Mining Corporation of New York under a lease agreement.

Approximately \$1,000,000.00 had been expended in this project by Callahan, to December 31, 1966. Callahan estimates that additional outlays of \$2,700,000.00 will be made to bring this property into production early in 1968, with an open pit mine supplying a 400 tons per day flotation mill.

### **Tundra Gold Mines Limited**

Operating results for the first nine months of the fiscal year (April to December 1966) show a profit before provision

for depreciation and amortization of \$62,168.

Due to the location of the Tundra property and the severe labor shortage, operations there have been difficult.

## OUTLOOK

With the sinking of the internal shaft now completed and stations excavated from the 24th to the 31st levels, lateral work on the new levels is in progress. Production from ore zones to be opened up in drives from the internal shaft is scheduled for early 1968. The ore pass-waste system, plus other miscellaneous shaft facilities will be completed in 1967.

In the west portion of the mine property, recent diamond drilling on the 23rd level intersected gold values of mineable widths and grades. This ore was located in an entirely new area of the property which is now being explored.

During 1966 income was received from two of the substantial investments made by Dickenson in prior years — dividends from Kam-Kotia Mines Ltd., and interest on income debentures of Tundra Gold Mines Ltd.

On behalf of the shareholders, your directors wish to record their appreciation to the management and employees of the company for maintaining a commendable profit performance throughout 1966, while carrying out a very heavy underground development program and being subjected to serious labor shortages.

Respectfully submitted  
on behalf of the Board,

A. W. WHITE,  
President.

Toronto, Ontario,  
March 15, 1967.

# DICKENSON MINES LIMITED

(Incorporated under the Laws of the Province of Ontario)

(With comparative balances at 31st December, 1965)

## ASSETS

	1966	1965
<b>Current Assets:</b>		
Bullion on Hand and in Transit, at net realizable value .....	\$ 282,639	\$ 319,183
Emergency Gold Mining Assistance Receivable .....	135,904	115,083
Accounts Receivable and Accrued Interest .....	128,938	93,804
Prepaid Expenses .....	30,296	21,608
Total Current Assets .....	577,777	549,678
<b>Special Refundable Tax</b> .....	34,550	—
<b>Investments and Advances</b> , at cost less Allowance for Possible Loss on Realization (Summary attached) .....	6,435,622	6,257,666
<b>Interests in Subsidiary Companies</b> (Note 1), at cost (Summary attached) .....	77,415	74,773
<b>Stores and Supplies</b> , at average cost .....	468,131	492,957
<b>Fixed Assets</b> , at cost:		
Buildings, Machinery and Equipment .....	5,560,172	5,366,147
Less: Accumulated Depreciation .....	4,647,738	4,404,810
	912,434	961,337
Mining Claims .....	264,227	264,227
Townsite Lots .....	101,535	102,691
	1,278,196	1,328,255
<b>Other Assets and Deferred Charges:</b>		
Interest in and Expenditures on Outside Mining Properties .....	818,387	784,219
Less: Amounts written off .....	361,684	321,995
	456,703	462,224
Deposits with Government Agencies .....	19,765	20,478
Other Deferred Charges .....	11,600	22,990
	488,068	505,692
	<u>\$9,359,759</u>	<u>\$9,209,021</u>

Subject to accompanying Report of this date.

McDONALD, NICHOLSON & CO.,

Chartered Accountants.

Toronto, 27th February, 1967.

The accompanying notes form

# Balance Sheet

31st December, 1966

## LIABILITIES

	1966	1965
<b>Current Liabilities:</b>		
Bank Overdraft .....	\$ 45,659	\$ 13,555
Bank Loans — Secured (Note 2) .....	1,738,000	1,850,000
Accounts Payable and Accrued Liabilities .....	240,060	327,976
Wages Accrued .....	37,431	37,901
Mining Taxes Accrued .....	27,036	41,542
Funds Payable under Mortgage Agreement (Note 3) .....	52,000	—
Dividend Payable .....	—	175,717
<b>Total Current Liabilities</b> .....	<b>2,140,186</b>	<b>2,446,691</b>
<b>Shareholders' Equity:</b>		
Capital Stock (Note 4)		
Authorized 3,750,000 shares of \$1.00 each .....	<u>\$3,750,000</u>	
Issued 3,514,340 shares .....	3,514,340	3,514,340
Surplus		
Contributed Surplus (Unchanged during year) .....	1,346,809	1,346,809
Earned Surplus .....	2,358,424	1,901,181
	<u>3,705,233</u>	<u>3,247,990</u>
<b>Total Shareholders' Equity</b> .....	<b>7,219,573</b>	<b>6,762,330</b>
 Approved on behalf of the Board:		
 A. W. WHITE, Director.		
 S. C. SMITH, Director.		
	<u>\$9,359,759</u>	<u>\$9,209,021</u>

# DICKENSON MINES LIMITED

## STATEMENT OF OPERATIONS

For the year ended 31st December, 1966

(With a comparative statement for the year ended 31st December, 1965)

### Revenue:

	1966	1965
Bullion Production .....	\$3,614,593	\$3,484,341
Emergency Gold Mining Assistance .....	276,019	231,389
	<u>3,890,612</u>	<u>3,715,730</u>

### Expense:

Marketing .....	27,713	25,176
Exploration and Development .....	773,962	554,145
Mining .....	1,177,249	1,042,827
Milling .....	503,509	475,954
Mine Management, Office and General .....	374,461	345,000
Head Office Administration and General .....	135,765	123,792
Interest on Bank Loans .....	107,697	78,053
	<u>3,100,356</u>	<u>2,644,947</u>

Operating Profit .....	790,256	1,070,783
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### Other Income:

Dividend from Kam-Kotia Mines Limited .....	201,750	—
Income from Other Investments .....	52,755	10,533
Profit (Loss) on Sale of Fixed Assets .....	752	(2,206)
Profit (Loss) on Sale of Investments .....	82,789	(5,812)
Adjustment of Prior Years' Expenses .....	—	7,257
	<u>1,128,302</u>	<u>1,080,555</u>

### Other Expense:

Provision for Depreciation of Buildings, Machinery and Equipment (Note 6) .....	253,435	248,854
Provision for Tax under the Mining Tax Act, Ontario .....	26,500	43,000
Outside Exploration written off (Note 7) .....	39,690	44,261
	<u>319,625</u>	<u>336,115</u>

NET PROFIT for the year .....	<u>\$ 808,677</u>	<u>\$ 744,440</u>
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The accompanying Notes form an integral part of this Statement.

# DICKENSON MINES LIMITED

## STATEMENT OF EARNED SURPLUS

For the year ended 31st December, 1966

(With a comparative statement for the year ended 31st December, 1965)

	1966	1965
Balance at beginning of year .....	\$1,901,181	\$1,929,896
Add:		
Net Profit for the year .....	808,677	744,440
	<u>2,709,858</u>	<u>2,674,336</u>
Deduct:		
Dividends declared .....	351,434	773,155
Balance at end of year .....	<u>\$2,358,424</u>	<u>\$1,901,181</u>

The accompanying Notes form an integral part of this Statement.

## AUDITORS' REPORT

To the Shareholders,  
Dickenson Mines Limited,  
TORONTO, Canada.

We have examined the attached Balance Sheet of DICKENSON MINES LIMITED as at 31st December, 1966, together with the Statements of Operations and Earned Surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and related Statements of Operations and Earned Surplus present fairly the financial position of the Company as at 31st December, 1966, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the related Statement of Source and Disposition of Funds which, in our opinion, presents fairly the sources and dispositions of funds of the Company for the year ended 31st December, 1966.

McDONALD, NICHOLSON & CO.,

Chartered Accountants.

TORONTO, 27th February, 1967.

# DICKENSON MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS

31st December, 1966

### 1. SUBSIDIARY COMPANIES

The accounts of Duchesne Red Lake Mines Limited, Jameland Mines Limited and Kenwest Mines Limited have not been consolidated with those of the company as the subsidiaries are dormant or are developing their properties and expenditures since acquisition of control have been deferred to future operations.

### 2. BANK LOANS

The bank loans are secured by the pledging of marketable securities having an aggregate quoted market value of \$6,633,825.

### 3. FUNDS PAYABLE UNDER MORTGAGE AGREEMENT

By agreement dated 11th April, 1966, the company has undertaken to advance to Rowan Consolidated Mines Limited up to \$100,000. on the security of a first mortgage on all of that company's patented mining claims and buildings, machinery and equipment situate thereon, in the townships of Ball and Todd in the Red Lake Mining Division. The mortgage bears interest at 6% per annum and falls due 15th April, 1971. As at balance sheet date the company had advanced \$48,000. under the said agreement. The company has agreed to advance the remaining \$52,000. as required from time to time by the Mortgagor for the carrying out of its corporate affairs.

### 4. EMPLOYEES' STOCK OPTION

During 1964 options were granted to certain employees, which, if exercised, would permit them to purchase 39,660 shares of the company's capital stock at a price of \$4.75 per share up to 30th June, 1967. As at 31st December, 1966, 4,000 shares had been issued under this option plan.

### 5. INCOME TAXES

Since amounts claimed for income tax purposes in respect of depreciation, development expenditures and other charges exceed the amounts recorded in the company's accounts in 1966, no provision is required for taxes on income for the current year. Taxes otherwise payable for the year would have been \$39,000. had provision therefor been made on the basis of amounts charged to operations. Profit may be affected at some future time should the amounts claimed for tax purposes become less than the amounts then recorded in the accounts.

### 6. DEPRECIATION

Depreciation has been recorded in the company's accounts on the straight line method at the rate of 15% per annum.

### 7. OUTSIDE EXPLORATION

Costs incurred in exploration of outside properties have been charged to operations at such time as the company relinquished its interest in such properties.

# DICKENSON MINES LIMITED

## STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

For the year ended 31st December, 1966  
(With a comparative statement for the year ended 31st December, 1965)

	1966	1965
<b>Source of Funds:</b>		
Net Profit from Operations .....	\$ 808,677	\$ 744,440
<b>Add:</b> Charges to operations which in themselves did not require an outlay of funds during the year		
Provision for Depreciation .....	253,435	248,854
Outside Exploration written off .....	39,690	44,261
	<u>1,101,802</u>	<u>1,037,555</u>
Decrease in Stores and Supplies .....	24,826	—
Decrease in Deferred Charges .....	11,390	8,562
Sale of Capital Stock .....	—	19,000
Sale of Townsite Lot .....	1,156	—
Decrease in Deposits with Government Agencies .....	713	—
Increase in Deficiency of Working Capital .....	—	1,095,577
<b>Total</b> .....	<u>\$1,139,887</u>	<u>\$2,160,694</u>
<b>Disposition of Funds:</b>		
Dividends .....	\$ 351,434	\$ 773,155
Outside Exploration .....	34,169	38,798
Fixed Asset Additions (Net) .....	204,532	505,610
Investments and Interests in Other Companies .....	180,598	737,125
Increase in Stores and Supplies .....	—	106,006
Refundable Federal Corporation Tax .....	34,550	—
Decrease in Deficiency of Working Capital .....	334,604	—
	<u>\$1,139,887</u>	<u>\$2,160,694</u>

The accompanying Notes form an integral part of this Statement.

## SUMMARY OF INVESTMENTS AND ADVANCES, AND INTERESTS IN SUBSIDIARY COMPANIES

31st December, 1966  
(With comparative balances at 31st December, 1965)

BOOK VALUE

	1966	1965
<b>Investments and Advances:</b>		
Kam-Kotia Mines Limited, at cost, 2,017,508 shares (Quoted Market Value \$6,758,652) (\$8,070,032 in 1965) .....	\$2,911,236	\$2,911,236
Other Listed Shares, at cost (Quoted Market Value \$309,996) (\$719,281 in 1965) .....	747,167	898,422
Other Shares and Securities, at cost less Allowance for Possible Loss on Realization .....	2,455,919	2,330,955
Mortgage Receivable, 6%, due 15th April, 1971 (Note 3) .....	100,000	—
Advances .....	221,300	117,053
	<u>\$6,435,622</u>	<u>\$6,257,666</u>
<b>Interests in Subsidiary Companies:</b>		
Shares, at cost .....	\$ 72,267	\$ 66,350
Advances .....	5,148	8,423
	<u>\$ 77,415</u>	<u>\$ 74,773</u>

The accompanying Notes form an integral part of this Statement.

## GENERAL MANAGER'S REPORT



F. A. FELL

The President and Directors,  
Dickenson Mines Limited,  
416 - 25 Adelaide Street West,  
TORONTO, Ontario.

Dear Sirs:

This report covering the operations of your Company for the year 1966 is respectfully submitted.

### PRODUCTION

172,526 tons of ore were milled yielding 95,563.5 fine ounces of gold and 7,765 fine ounces of silver. The total value of this bullion was \$3,615,000 or a recovery of \$20.95 per ton milled. In addition, benefit received and receivable under the Emergency Gold Mining Assistance Act is estimated to be \$276,000 or \$2.89 per ounce of gold.

Your Company qualified for Emergency Gold Mining Assistance for the year and gold produced was sold to the Royal Canadian Mint. The average value received from the Mint was \$37.71 per ounce for gold, and \$1.39 per ounce for silver.

To date the mine has produced 1,272,811.5 ounces of gold and 108,269 ounces of silver with a total value of \$45,515,000 for an average value received from the Mint and the Bank of Nova Scotia of \$35.67 per ounce of gold and \$1.04 per ounce of silver; total tons milled amount to 2,566,138 for a recovery of 0.50 ounces of gold per ton.

### ANALYSIS OF OPERATING COSTS

	1966		1965
	Total	Per Ton Milled	Per Ounce
Shaft Sinking (#2 Shaft) .....	\$ 457,835	\$ 2.65	\$ 4.79
Exploration and Development .....	316,127	1.83	3.31
Mining .....	1,177,249	6.82	12.32
Milling .....	503,509	2.92	5.27
Mine General Expense .....	374,461	2.17	3.92
Head Office Expense .....	135,765	.79	1.42
Interest on Bank Loans .....	107,697	.63	1.12
Marketing Charges .....	27,713	.16	.29
	<u>\$3,100,356</u>	<u>\$ 17.97</u>	<u>\$ 32.44</u>
			<u>\$ 28.71</u>

## MINING

Broken ore totalling 83,737 tons remained in the stopes, a decrease of 4,737 tons from the previous year. Also 1,523 tons remained in ore bins and ore passes at year's end.

Of the 172,326 tons of ore hoisted 17,739 tons grading 0.412 ounces per ton were obtained from development and 154,587 tons grading 0.623 ounces per ton were obtained from stoping and stope preparation. Waste hoisted amounted to 46,951 tons.

Stoping operations were carried on in the North "C", South "C", East South "C", "D", "F" and "H" zones on the upper twenty-two levels. Of the total ore hoisted, the percentages from the zones were — North "C" 5.5%, South "C" 9.8%, East South "C" 56.6%, "D" 8.6%, "F" 8.7%, "H" 10.2%, and miscellaneous ("E" and "J") 0.6%.

At year's end twenty-two stopes were operating as cut and fill stopes and two were shrinkage. Most new stopes are being prepared for cut and fill. Tons broken per rock drill shift in stopes and back stopes were 51.4 compared to 43.6 in 1965. The average stope width was 6.3 feet compared to 7.2 feet the previous year.

## EXPLORATION AND DEVELOPMENT

The following is a summary of the development footages completed to the end of 1966 with the previous two years given as a comparison:

	1966	1965	1964	To Date
#1 Shaft .....	—	—	—	3,589
Station Cutting .....	—	—	—	1,245
Drifting .....	3,042	5,300	6,876	84,945
Crosscutting .....	1,538	1,667	2,525	62,832
Raises .....	2,297	1,726	2,230	42,858
Ore Passes .....	—	—	—	4,054
Waste Passes .....	—	—	—	3,285
Slashing .....	553	654	1,883	18,452
Diamond Drilling:				
Surface .....	—	415	—	60,721
Underground .....	46,146	42,780	50,507	776,452

### #2 SHAFT SINKING — COLLARED AT THE 23 LEVEL (3365)

	1966	1965	To Date
#2 Shaft .....	1,231	18	1,249
Station Cutting .....	444	—	444
Main Sump .....	112	—	112
Future Sinking Ropeway .....	9	—	9
Future Sinking Dump Station .....	6	—	6
Loading Pocket .....	23	—	23
Spill Pocket .....	13	—	13

(The above footages are based on shaft equivalent)

Ore Pass .....	14	—	14
Waste Pass .....	14	—	14
Timber Yard .....	28	—	28

**Developments of major interest** — Reference can be made to the map in this report to obtain the relative locations of the ore zones mentioned here and the vertical depth of the levels below surface.

(1) The #2 shaft (internal), collared on the twenty-third level (3,365 feet below surface) at a point 2,960 feet southwest of the #1 shaft (surface), was completed to a depth of 1,249 feet. Shaft stations were cut on the eight levels from the twenty-fourth to the thirty-first. The main pump sump, spill pocket, and loading pocket were completely excavated. New cage skip conveyances were installed. Installation of the electrical apparatus and the equipment in the sump, spill pocket, loading pocket, and dump station was about 65 percent completed at year's end.

(2) Exploration of the sixteenth, eighteenth, twentieth, and twenty-first levels continued to develop significant lengths of ore in the East South "C" zone. Additional "D" zone ore was developed on the eleventh and seventeenth levels. Short sections of ore in the South "C" zone were developed on the eighteenth and nineteenth levels and were indicated by diamond drilling on the twentieth, twenty-first and twenty-second levels.

(3) A line drive, of some 1,780 feet in length, was driven in a westerly direction from the "J" zone at the twenty-third level to explore the section of the property below the original Delta Mine workings. Two diamond drill holes, drilled horizontally from the face of the drive, located vein material in a typical mine variety of andesitic host rock at about 470 feet to the north. The holes, drilled 90 feet apart, intersected vein material from which were obtained the values 0.12 ounces per ton across a width of 2.0 feet and 0.13 ounces per ton across a width of 1.0 foot in the one hole and the values 0.46 ounces per ton across a width of 0.5 feet and 0.21 ounces per ton across a width of 1.9 feet in the other. These values are not contiguous. Development of this area is continuing.

#### ORE DEVELOPED BY DRIFTING

Zone	Lineal Feet	Ounces per Ton	Width Feet	Level
East South "C" .....	895.2	0.55	6.2	16, 18, 20, 21
South "C" .....	110.0	0.64	5.7	18, 19
"D" .....	267.0	0.54	4.5	11, 17
Total and Average .....	<u>1,272.2</u>	<u>0.555</u>	<u>5.8</u>	

#### REMARKS ON ORE ZONES

North "C" — ore remnants continue to be mined in this zone particularly above the third level.

South "C" — short ore sections are being developed from the twenty-second to fifteenth levels. Mining is in progress at the seventeenth level. Several sills remain to be recovered.

East South "C" — there is indicated ore to be developed on the twenty-first and seventeenth levels. Stopes and stope preparation are being carried out from the twenty-second level up to the fifteenth level.

"F" — the known ore has been developed from the fifteenth to twentieth levels. Mining is in progress above the nineteenth level.

"D" — additional "D" zone ore is being developed above the eighteenth to eleventh level. Mining and stope preparation is in progress from the eighteenth to eleventh levels.

"H" — additional development is required between the nineteenth and eighteenth levels with no ore being located below the nineteenth. Mining is in progress above the sixteenth and seventeenth levels.

"E" — a small tonnage of mineable ore remains in this zone.

"J" — a small tonnage of moderate grade ore has been developed in this zone at the twenty-third level.

"B", "G", "I" — no quantity of mineable ore has been found in these zones to date. No development or mining is being done in these zones.

## ORE RESERVES

At December 31, 1966, positive ore reserves, broken and in place, were calculated to be 571,986 tons having an average grade of 0.536 ounces of gold per ton. This compares with 586,777 tons grading 0.546 ounces per ton at December 31, 1965. The distribution of ore is as follows:

		Tons	Grade
Above	1st level	17,030	0.52
"	2nd level	8,654	0.47
"	3rd level	34,030	0.58
"	4th level	1,393	0.40
"	5th level	375	0.34
"	6th level	12,412	0.42
"	7th level	12,652	0.45
"	8th level	13,907	0.52
"	9th level	7,981	0.45
"	10th level	13,168	0.57
"	11th level	2,403	0.45
"	12th level	2,335	0.76
"	13th level	1,654	0.56
"	14th level	16,264	0.56
"	15th level	24,685	0.37
"	16th level	69,232	0.42
"	17th level	130,298	0.54
"	18th level	78,275	0.52
"	19th level	40,430	0.71
"	20th level	32,948	0.78
"	21st level	23,204	0.64
"	22nd level	17,222	0.49
"	23rd level	11,434	0.44
		<u>571,986</u>	<u>0.536</u>

(All high assays cut to 2.00 ounces.)

### Positive Ore Reserves by Zones:

Zone	Tons	Grade	Percentage
North "C"	84,754	0.527	14.8
South "C"	65,063	0.540	11.4
East South "C"	266,701	0.571	46.6
"D"	36,648	0.569	6.4
"E"	5,551	0.449	1.0
"F"	32,995	0.525	5.8
"H"	75,020	0.417	13.1
"I"	1,040	0.820	0.2
"J"	4,214	0.444	0.7
	<u>571,986</u>	<u>0.536</u>	<u>100.0</u>

## MILLING

Summary of Mill Operations with the previous year given as comparison.

	1966	1965
Tons treated .....	172,526	177,353
Percent operating time .....	99.35	99.48
Tons treated per day .....	472.7	485.9
Average value mill heads in ounces of gold per ton .....	0.601	0.562
Assay of mill tails in ounces of gold per ton .....	0.047	0.043
Recovery in ounces of gold per ton .....	0.554	0.519
Percent recovery .....	92.2	92.4

## EXPLORATION DEPARTMENT BASED AT MINE OFFICE

The search for minerals of economic importance has been concentrated mainly in Northwestern Ontario and primarily in the Red Lake Mining Division.

During the year the following properties were examined and reported on: 13 copper-nickel, 9 gold, 4 lead-zinc, 4 molybdenite, 2 uranium and 1 iron. Five groups totalling 36 claims were staked. At year end a total of 93 claims in 11 groups were held in the Red Lake Mining District by your Company.

Exploratory diamond drilling was done on 2 properties for a total footage of 2,056 feet in 7 holes. Geological conditions were encouraging and additional work has been planned for the coming year.

Several companies and prospectors, active in the area, have continued to use the facilities of the Dickenson Assay Office for custom work.

## CAPITAL EXPENDITURES

Capital expenditures for the year amounted to \$204,988.36 and included the following as the major items:

### Surface

- 1 — Idler sheave tower with 2 — 20" P.D. steel construction, rubber lined idler sheaves.
- 1 — 96" P.D. Dorr-Oliver-Long head sheave lined with Westoflex grooved for 1½" rope complete with bearings and shaft.
- 1 — Rabson filter type 18-60, rated 5000 C.F.M. for Assay department crushing and pulverizing room.
- 1 — 1966 G.M.C. model T960 three-ton truck complete with box and hoist.

### Underground

- 3 — Dorr-Oliver-Long 4½-ton cage over skip combinations (Rola dump) for #2 shaft.
- 8 — Used 90 cu. ft. Granby type mine cars, 24" gauge.
- 1 — Worthington 6 x 4 x 6 — all iron — duplex air driven pump for #2 shaft.

## GENERAL

Cost levels rose fairly substantially during 1966. These cost increases can be attributed to the #2 Shaft sinking program, the reduction of the work week to forty hours which increased wage levels by ten percent, and the general inflationary cost of materials and supplies experienced during the year. The shortage of experienced labour resulted in relatively high training costs and a slightly decreased mill tonnage due to inexperienced mill operators.

A two-year agreement was signed with Local 1003 of the International Union of Mine, Mill and Smelter Workers on April 1st, 1966, which in addition to fringe benefit increases, decreased the work week from 44 hours to 40 hours per week with maintenance of take home pay, and provided for three pay increases of five cents per hour, effective on the following dates, April 1st, 1966, January 1st, 1967 and October 1st, 1967.

The operating force at year end, including staff but not part-time students, or diamond drillers, numbered 271. The labour supply during 1966 was acute, particularly as regards experienced men.

During 1966 five Dickenson employees built homes in Balmertown with company assistance, Campbell Mines built a duplex, and one home was privately built. The population of Balmertown now stands at 1,068.

All but nine miles have been paved on Highway 105 from the Trans-Canada highway to Red Lake, and the work is expected to be completed before June 1967.

Weight of supplies delivered to the property:

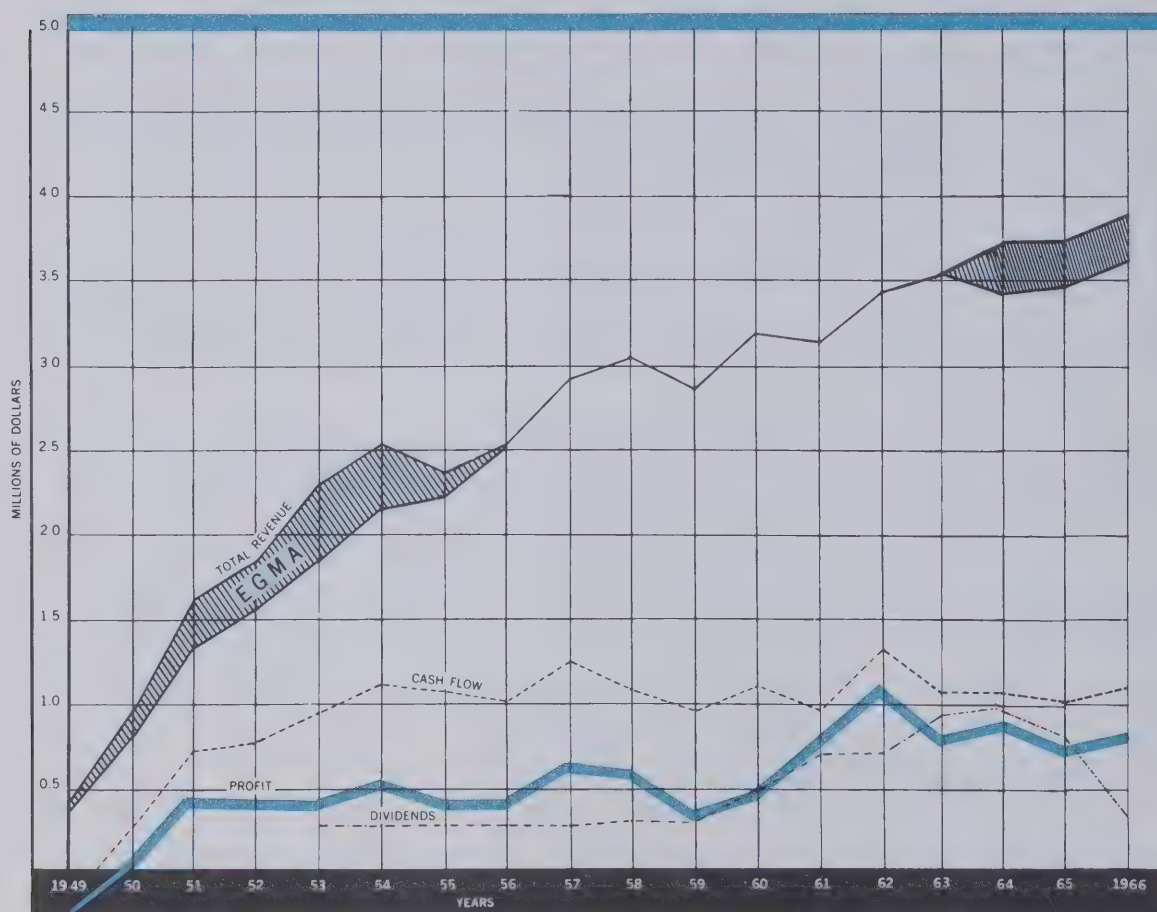
From local sources (mainly timber, gravel, oils and greases) .....	4,534 tons
From the Railhead (chemicals, steels and general supplies) .....	1,630 tons
Direct hauling of explosives .....	146 tons
	<u>6,310 tons</u>

In conclusion I wish to take this opportunity to thank you, the President and Directors, for your guidance and support, and to express my appreciation to the Mine Manager, his Department Heads and Employees who have efficiently served your Company during the past year.

Yours very truly,

F. A. FELL,  
General Manager

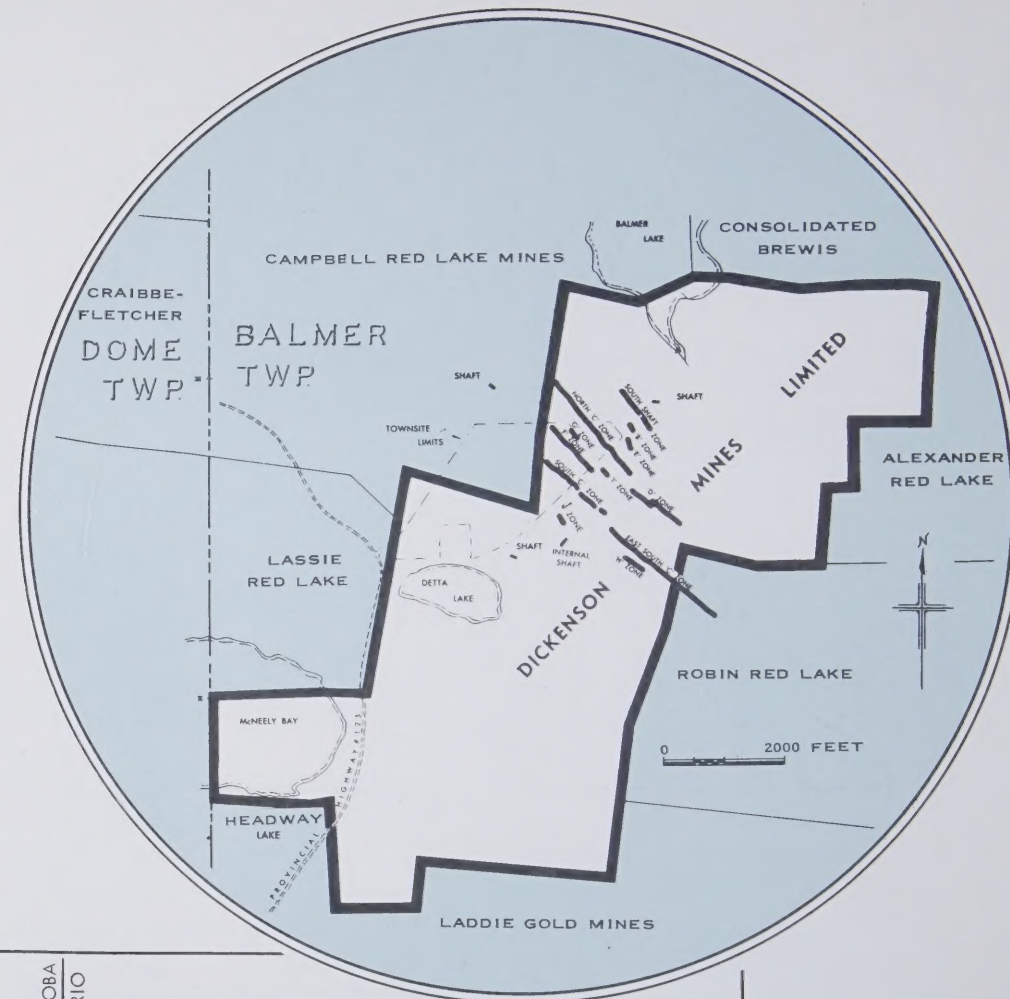
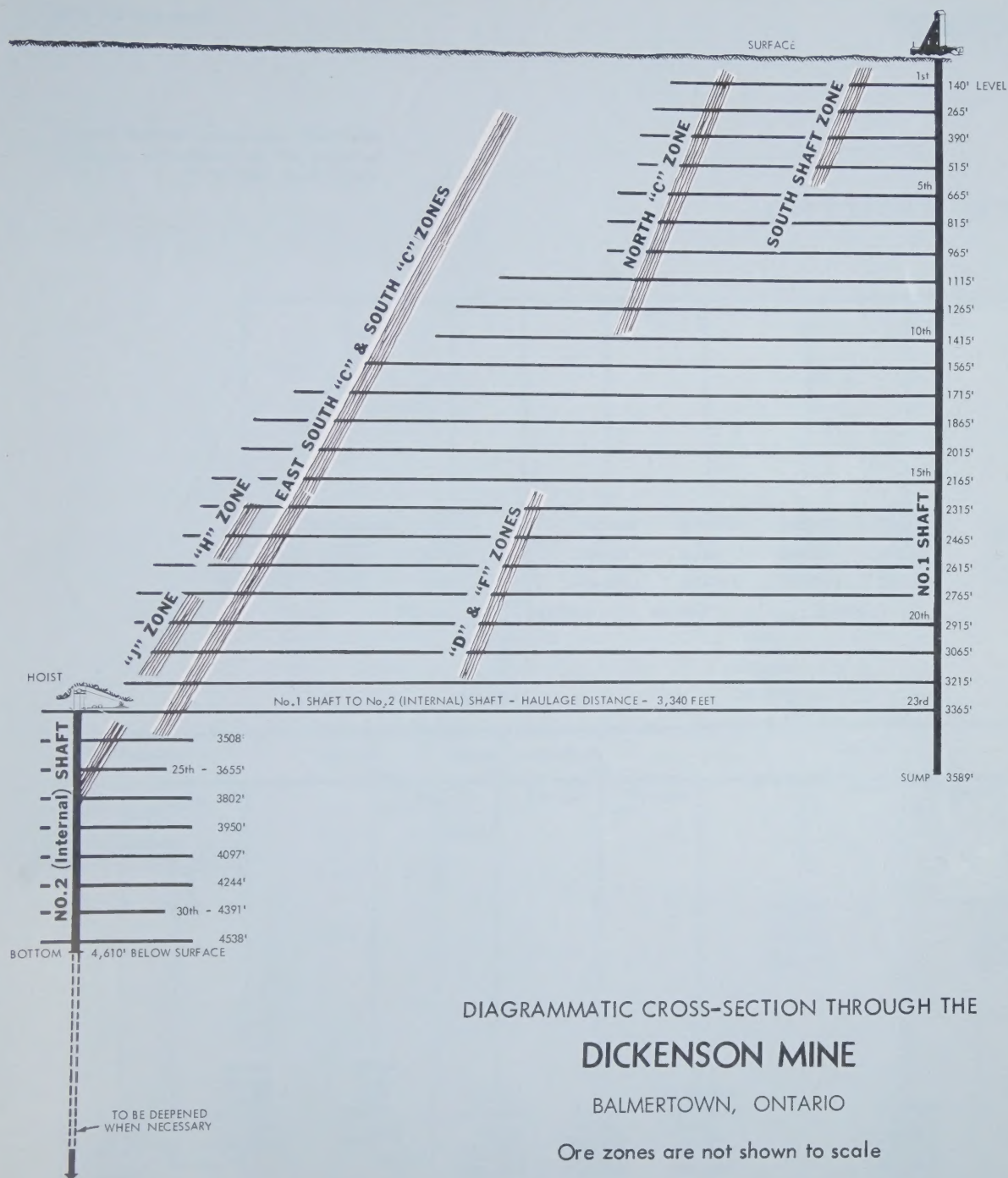
# RECORD OF OPERATIONS



## FINANCIAL HIGHLIGHTS

For the period January 1, 1949 to December 31, 1966

	In Thousands
Production and Emergency Gold Mining Assistance .....	47,530
Total cost before depreciation and amortization .....	31,632
Additional funds received from the issue of shares and bonds .....	1,914
Re-invested in capital assets .....	6,214
Purchases of securities (net) .....	5,297
Expenditures re examination and acquisition of outside properties .....	1,219
Redemption of \$1,500,000 par value bonds .....	1,438
Distribution to shareholders .....	6,883



# DICKENSON MINES LIMITED

## INVESTMENT CHART

(PRINCIPAL HOLDINGS)

December 31, 1966

### EXAMPLE

20.6% shares held ÷ shares issued

491,000 shares held

2,379,000 shares issued

Mid-North Engineering Services Limited manages all the undernoted companies except those marked (\*).

